



# PERCY THOMSON TRUST

• Percy Thomson Gallery • Percy Thomson Arboretum • Percy Thomson Herbarium

PERFORMANCE REPORT  
FOR THE YEAR ENDED  
30 JUNE 2024

# PERCY THOMSON TRUST

Performance report for the year ended 30 June 2024

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# PERCY THOMSON TRUST – CHAIRMAN'S REPORT

## For the year ended 30 June 2024

On behalf of the Trust, it is my pleasure to present the report for the twelve months ended 30 June 2024. The year was characterised by the return of operations to a more normal level with a quality range of exhibitions at the Gallery with visitor numbers exceeding 25,000, and continued enhancements at the Arboretum.

There remain concerns with the Gallery building, particularly the condition of the roof, and there has been continued pressures on income with limitations on the ability to source grant funding as outlined previously.

The Trust has commenced discussions with the District Council on the future operations and governance of the Trust and looks forward to further progress on this in the forthcoming year.

### Financials

The Statement of Financial performance shows a deficit of \$231,000. This compares with a budgeted deficit of \$84,000 and the actual deficit in 2023 of \$120,000. The negative variance of \$147,000 against budget came from lower grant income by \$86,000; increased audit fee of \$18,000; increased staffing costs of \$15,000; and increased repairs and maintenance of the Gallery building by \$16,000.

From a cash flow point of view, there was a net increase in cash of \$15,000 for the year. This was primarily due to the sale of investments.

The overall equity position now stands at \$3,135,000 as against \$3,380,000 last year.

### Gallery Operations

Visitor numbers at the gallery continued to return to more normal levels. Visitor numbers of 25,783 were 38% ahead of the 2023 level.

The exhibition programme has continued to be innovative and thought provoking and offering a valuable outlet for local artists.

### Investment Funds and Cash Balances

The investment portfolio at 30 June is:

<b>Category</b>	<b>Book Value @ 30/6/24</b>	<b>Book Value @ 30/6/23</b>
Bank Balances	92,000	77,000
Trading Bank Term Deposits	250,000	350,000
Bonds	-	30,000
Commercial Property through Proportionate Ownership Schemes and Property Investment Funds (based on impaired values)	383,000	397,000
<b>Total</b>	<b>\$725,000</b>	<b>\$854,000</b>

The reduction in bonds is from the maturity of a bond holding. The overall reduction reflected the deficit for the year.

The decision to participate in the various schemes and funds has the following objectives:

- To increase the cash investment returns of the overall invested funds given the reducing returns available from Bank Term Deposits and other fixed interest bonds;
- The opportunity for capital growth in these investments.

Further, in seeking such investments particular criteria included:

- The quality of the respective buildings
- The quality and security of the tenancies within each property
- The quality and experience of the managers of the respective properties

The breakdown of these investments is:

Property held by Investment Fund	Original Investment	Market Value (as at Balance Date of the investments of 31 March 2024)	Market Value (as at Balance Date of the investments of 31 March 2023)	Cash Income Return on Original Investment	Summary of Tenancies
Bush Road, Albany, Auckland – light industrial	125,000	312,624	321,930	4.70% (2023 6.8%)	- Thermo Fisher Scientific – 100%
Osterley Way, Manukau, Auckland – office building	50,000	47,655	61,628	5.125% (2023 8.69%)	- IRD – 98% - Other – 2%
Todd Park, Porirua, Wellington – light office/industrial complex	72,000	107,749	122,516	5.90% (2023 5.92%)	- Placemakers 16.38% - NZ Post (ex Hannah’s) 10.36% - Hexatronic 18.63% - Anderson & Flowers 12.53% - Mitsubishi Motors 15.86% - Fusion Interiors 10.63% - Conroy Removals 6.36% - Downer NZ 4.32% - NZ Post 2.82% - Whanau Manaaki Kindergarten 1.77% - Other 0.34%
Cameron Road, Tauranga – Office building and retail	50,000	38,350	43,914	2.0% (2023 5.92%)	- Tauranga City Council 55.11% - IRD 38.33% - Other (3) – retail & office 6.56%
Centuria NZ Industrial Fund – light industrial mainly in Auckland (Name change from Augusta Industrial Fund)	100,000	142,942	155,937	5.25% (2023 6.33%)	The 54 tenants in 19 properties across three cities but weighted 73% to Auckland include Toll, Repco, Linfox, Fujitsu, Fletcher Building Steel Group, Macpac, Vulcan Steel, and Halls Refrigeration Transport (Icepak), D&H Steel Construction, Graphic Packaging, and TCI NZ. Overall occupancy is 96%.
<b>Total</b>	<b>\$397,000</b>	<b>\$649,302</b>	<b>\$705,925</b>	Average 4.77% (2023 6.77%)	
		<b>8.0% decrease on 2023 but 63.6% increase on original investment values.</b>	(8.6% decrease on 2022)		

The overall economic situation, especially rising interest rate, has had an effect on the overall cash returns and on the valuations. The rising interest rates on bank borrowings has reduced funds available for distribution – hence the average cash return reducing from 6.77% to 4.77%.

The overall market values of the investments has seen some reduction reflecting the average reduction in the weighted average tenancy terms and increased capitalisation rates. However, the overall portfolio remains strong standing at 63.6% above the original investment costs.

### **Building Works**

The Trustees have spent time considering the situation with the Gallery Building roof. There are issues with leakages from the internal gutters. Indications are that we should be considering a roof replacement in the not too distant future. For the time being we have located the major issues and upgraded the monthly maintenance schedule to minimise problems whilst we look at longer term solutions.

### **Other Responsibilities**

- **The Arboretum.** New developments have been completed to enhance the visitor experience.
- **The Herbarium.** The web site continues to be operational, although it is no longer able to be updated. The Trust considers that its remit for the herbarium has been concluded.

### **Summary**

The Trust has now been in existence for over 20 years so we have set in process a strategic review to focus on the Trust's current operations and on our relationship with the District Council. Discussions have progressed to the stage of seeking legal advice on what could be achieved.

I acknowledge the work of the trustees and in particular Christine Craig who retired from her position in May and Jim Clarkson who is retiring at this year's AGM.

Laura, the Gallery Director has now resigned to take another step in her professional life. We thank her for the contribution she has made over the past three years and wish her every success in the future.

We also acknowledge Amy, the Gallery assistant who is on Maternity Leave, Maree Burnand who is the acting Gallery Assistant, and now Acting Director while we seek to make a new appointment as Director, Christine Craig and her team at the Council for administrative support, and the volunteers without whom the operation of the gallery would become most difficult.

The Trust continues to make an important contribution to the life and culture of the District. Our stewardship of Percy Thomson's legacy is our key role and we acknowledge the support of the Council in making this happen.



Bruce Ellis  
**Chairman (as at 30 June 2024)**

# PERCY THOMSON TRUST – ENTITY INFORMATION

## Legal name

Percy Thomson Trust (the Trust).

## Type of entity and legal basis

The Trust is incorporated in New Zealand under the Charitable Trusts Act 1957. The Trust is controlled by Stratford District Council and is a council-controlled organisation as defined in section 6 of the Local Government Act 2002.

## The Trust's purpose or mission

The primary objectives of the Trust are to provide the Percy Thomson Gallery, Percy Thomson Arboretum and Percy Thomson Herbarium in accordance with the bequest left by the late Percy Thomson, and to be responsible for the ongoing maintenance of these assets.

## Structure of the Trust's operations, including governance arrangements

The Trust comprises a Board of 6 Trustees who oversee the governance of the Trust, including a Chairman who is responsible for the day-to-day operations of the Trust and reporting to the Trustees, and five other voluntary members who support the Chairman in delivering against the Trust's objectives. At least 50% of the Trustees shall not be current elected members of the Stratford District Council.

## Main sources of the Trust's cash and resources

An operating grant received from the Stratford District Council, investment income, and other forms of grant revenue are the primary sources of funding to the Trust.

## Outputs

The Trust owns and maintains the building in which the gallery is situated and all expenses relating to this are incurred by the Trust. The Trust also promotes and exhibits various forms of art works in the gallery, and exhibition costs are also a major output for the Trust.

## PERCY THOMSON TRUST – BOARD

Chairman: Bruce Ellis - to October 2024  
Ellen Hall – from October 2024

Trustees: Jim Clarkson  
Helen Cloke  
Deborah Clough  
Doug Robinson  
Ellen Hall  
Bruce Ellis  
Christine Craig – Resigned May 2024

## PERCY THOMSON TRUST – STAFF

### As at 30 June 2024

Gallery Director – Laura Campbell

Gallery Assistant – Amy Hill (Parental Leave)  
Gallery Assistant – Maree Burnnand (Fixed Term)

### Casual Gallery Assistants

- Donna Hitchcock
- Carina McQueen
- Gayleen Schrider
- Jacqueline McCluggage
- Justin Morgan
- Michelle Rowland
- Rhiannon Higgs
- Kayla-Leigh Love

# PERCY THOMSON TRUST – PERFORMANCE

## Statement of Service Performance

### **Nature and Scope of the Activities**

The Percy Thomson Trust covers three activities, the Art Gallery, the Arboretum, and the Herbarium.

The Percy Thomson Gallery is located in Prospero Place, and the arboretum on Cloten Road near the intersection with Ariel Street. The herbarium is delivered through the Trust's membership of the New Zealand Plant Conversation Network, and specifically through the website, <https://www.nzpcn.org.nz/>.

The Percy Thomson Gallery is Stratford's public art gallery and was opened in June 2002. The gallery contains both exhibition areas and work areas for use by local artists and community art groups. The gallery provides an active programme of exhibitions and events that is both internally generated and toured from other art collections.

The gallery's main display area totals 178m<sup>2</sup> which can be comfortably partitioned into two areas of 116m<sup>2</sup> and 62m<sup>2</sup> respectively.

### **Objects of the Trust**

The objects for which the Trust is established are, to the extent that they are a Charitable Purpose within New Zealand, as follows:

- to receive the Percy Thomson Arboretum, the Percy Thomson Herbarium and the Percy Thomson Gallery and to be responsible for the ongoing establishment and maintenance of an arboretum, herbarium and art gallery in Stratford;
- to manage the Trust Facilities and to create, acquire, promote, exhibit and manage the Collections for the benefit of the inhabitants of the Stratford District and the public generally;
- to endeavour to achieve the objectives the Council sets for the delivery of services in respect of the Trust Facilities as negotiated and set out in the Charter, the Business Plan, and the Strategic Plan;
- to implement the Council's policy as revised from time to time for the development and enhancement of the Trust Facilities with an emphasis on Stratford and in accordance with the Charter, Business Plan and Strategic Plan;
- to provide advice to the Council on the Council's long term policy for the development of gallery services in Stratford;
- to establish exhibition programmes and education policies for the Trust Facilities;
- to develop acquisition, de-accession and collection development policies for the Trust;
- to provide all financial, administration, marketing, technology and services required for the Trust Facilities;
- to determine charges for viewing or using any of the Trust Facilities and the Collections with a view to generating appropriate revenue and encouraging public enjoyment and utilisation of the Trust Facilities and Collections;
- to house and care for any art collections, antiquities or other articles acquired by, loaned, created or otherwise made available to the Trust and particularly to preserve and maintain the Collections (subject to any de-accession policies developed by the Trustees);
- to lease land or other assets where the Trustees determine that such land or other assets can be used in conjunction with the Trust Facilities or to promote the objectives of the Trust;
- to solicit and raise funds and carry out such activities as are necessary or conducive for the carrying out and giving effect to the objects of the Trust;
- to encourage and foster liaison and co-operative activities with related facilities, particularly those in the Stratford District; and
- generally to do all acts, matters and things that the Trustees consider may advance the objects of the Trust.

For the avoidance of doubt, the objects of the Trust expressed above are set out in no particular order or priority and do not include an intention or purpose that the Trust operates a trading undertaking with the intention or purpose of making a profit, but rather that the Trustees fairly and efficiently manage the Trust Fund, the Trust Facilities and the Collections for the benefit of the people of Stratford District.

The Trust's objects shall only be carried out in, or to benefit people in the Stratford District. The Trustees may carry out activities outside the Stratford District to promote the Trust or the Trust's activities but only if they believe that such activities will be for the ultimate benefit of people in the Stratford District.



# PERCY THOMSON TRUST – PERFORMANCE

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Level of Service	Performance Measures	Actual 2023/24	Target 2023/24	How Performance is measured
Delivery of art exhibitions	Deliver proposed art exhibitions which will include local, regional and at least 1 National.	<p><i>Achieved:</i>  <i>All exhibitions were able to be delivered.</i></p> <p><i>Art exhibitions that were delivered throughout the year included the following:</i></p> <p><b>National –</b></p> <ol style="list-style-type: none"> <li>1. <i>Gathered Voices: The Fletcher Trust Collection</i></li> <li>2. <i>Rita Angus: New Zealand Modernist</i></li> </ol> <p><b>Regional –</b></p> <ol style="list-style-type: none"> <li>1. <i>Abroad: what's in the suitcase</i></li> </ol> <p><b>Local –</b></p> <ol style="list-style-type: none"> <li>2. <i>Emergence – Award for Young Taranaki Artists</i></li> <li>3. <i>Taranaki Arts Trail – Preview exhibition</i></li> <li>4. <i>Stratford Art Society</i></li> <li>5. <i>Embroidery Guild Taranaki</i></li> <li>6. <i>Yours Truly</i></li> <li>7. <i>Aotearoa Quilters</i></li> </ol> <p><b>International/Local</b></p> <ol style="list-style-type: none"> <li>1. <i>Kahui Mareikura: Indigenous Sisters</i></li> </ol> <p><b>(2022/23 – Achieved)</b></p>	<p><i>Deliver proposed art exhibitions which will include local, regional and at least 1 National.</i></p>	Art Gallery Records
	Number of visitors to the Gallery to be not less than 20,000 per year.	<p><i>Achieved:</i>  <i>There were 25,783 visitors for the year. This is an increase on the previous year as people are now attending more events.</i></p> <p><b>(2022/23 – Not Achieved – 18,684)</b></p>	>20,000	Door Count
Development and maintenance of arboretum	Develop and maintain the arboretum to the standards in the facilities management contract	<p><i>Achieved:</i>  <i>The arboretum has been maintained by Stratford District Council on behalf of the Trust, and meets the standards in accordance with the Facilities Management Contract between Stratford District Council and its contractors. The planting programme was also maintained, and continued on in conjunction with the plantings/replacement of native trees.</i></p> <p><b>(2022/23 - Achieved)</b></p>	Develop and maintain the arboretum to the standards in the facilities management contract	Meeting Minutes between Stratford District Council and Contractor
Delivery of Herbarium	Develop and maintain the relationship with the New Zealand Plant Conservation Network.	<p><i>Achieved:</i>  <i>We now consider this part of the Thomson Bequest as complete. Membership of the New Zealand Plant Network is proceeding as part of the Arboretum.</i></p> <p><b>2023/24 – Not achieved – The Trust are in the process of becoming a member of the New Zealand Plant Conservation Network, and this will be completed in 2023/24.</b></p>	Develop and maintain the relationship with the New Zealand Plant Conservation Network.	Dependant on Option Selected

# PERCY THOMSON TRUST – PERFORMANCE



# PERCY THOMSON TRUST – PERFORMANCE



# PERCY THOMSON TRUST – FINANCIAL STATEMENTS

## STATEMENT OF FINANCIAL PERFORMANCE AS AT 30 JUNE 2024

	Note	Actual 2023/24 \$000	Budget 2023/24 \$000	Actual 2022/23 \$000
<b>Revenue</b>				
Funding from central or local government	1	50	50	50
Revenue from non-governmental sources for providing goods or services		50	48	46
Donations, fundraising and other similar revenue	1	2	88	45
Interest, dividends and other investment revenue		37	35	44
Other revenue	1	18	18	29
<b>Total Revenue</b>		<b>157</b>	<b>239</b>	<b>214</b>
<b>Expenses</b>				
Employee related costs	2	135	120	121
Costs related to providing goods or services	2	127	111	104
Other expenses	2	126	92	109
<b>Total Expenses</b>		<b>388</b>	<b>323</b>	<b>334</b>
<b>(Deficit) from operations</b>		<b>(231)</b>	<b>(84)</b>	<b>(120)</b>
Impairment of Investments	3	(14)	-	-
Gain on revaluation of property, plant and equipment		-	-	702
<b>Surplus (Deficit) for the year</b>		<b>(245)</b>	<b>(84)</b>	<b>582</b>

Explanations of significant variances against budget are detailed in note 9.



B Ellis  
**TRUSTEE**



E Hall  
**TRUSTEE**

# PERCY THOMSON TRUST – FINANCIAL STATEMENTS

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	Actual 2023/24 \$000	Budget 2023/24 \$000	Actual 2022/23 \$000
<b>Assets</b>				
<b>Current Assets</b>				
Bank accounts and cash	3	92	212	77
Debtors and prepayments	3	7	10	22
Investments	3	250	250	380
<b>Total Current Assets</b>		<b>349</b>	<b>472</b>	<b>479</b>
<b>Non-Current Assets</b>				
Property, plant and equipment	4	2,452	1,768	2,539
Non-current investments	3	383	502	397
<b>Total Non-Current Assets</b>		<b>2,835</b>	<b>2,270</b>	<b>2,936</b>
<b>Total Assets</b>		<b>3,184</b>	<b>2,742</b>	<b>3,415</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Creditors and accrued expenses	3	35	5	27
Employee costs payable	3	14	2	8
<b>Total Current Liabilities</b>		<b>49</b>	<b>7</b>	<b>35</b>
<b>Total Liabilities</b>		<b>49</b>	<b>7</b>	<b>35</b>
<b>Total Assets less Total Liabilities (Net Assets)</b>		<b>3,135</b>	<b>2,735</b>	<b>3,380</b>
<b>Accumulated Funds</b>				
Capital contributed by owners or members	5	0.1	0.1	0.1
Accumulated Surpluses or (deficits)	5	1,226	1,440	1,471
Reserves	5	1,909	1,295	1,909
<b>Total Accumulated Funds</b>		<b>3,135</b>	<b>2,735</b>	<b>3,380</b>

The accompanying notes form part of these financial statements.

The Trust Board is approved and authorised to issue the financial statements on 10 December 2024.



B Ellis  
**TRUSTEE**



E Hall  
**TRUSTEE**

# PERCY THOMSON TRUST – FINANCIAL STATEMENTS

## STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2024

	Note	Actual 2023/24 \$000	Actual 2022/23 \$000
<b>Cash Flows from Operating Activities</b>			
<i>Cash was received from:</i>			
Funding from central or local government		50	50
Receipts from non-governmental sources for providing goods or services		54	46
Donations, fundraising and other similar receipts		2	49
Interest, dividends and other investment revenue		39	41
Other revenue		20	19
Net GST		6	(8)
<i>Cash was applied to:</i>			
Payments to Suppliers and Employees		(273)	(234)
<b>Net Cash Flows used in Operating Activities</b>		<b>(102)</b>	<b>(37)</b>
<b>Cash Flows from Investing and Financing Activities</b>			
<i>Cash was received from:</i>			
Receipts from the sale of investments		130	-
<i>Cash was applied to:</i>			
Payments to acquire investments		-	(75)
Payments to acquire property, plant and equipment		(13)	(86)
<b>Net Cash flow from Investing and Financing Activities</b>		<b>117</b>	<b>(161)</b>
<b>Net Increase in Cash</b>		<b>15</b>	<b>(198)</b>
Add opening bank accounts and cash		77	275
<b>This is presented by : Bank Accounts and Cash</b>	3	<b>92</b>	<b>77</b>

# PERCY THOMSON TRUST

## **STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2024**

### **ACCOUNTING POLICIES APPLIED**

#### Basis of Preparation

The Board has elected to apply PBE SFR-A (PS) *Public Benefit Entity Simple Format Reporting – Accrual (Public Sector)* on the basis that the Trust does not have public accountability (as defined) and has total annual expenses of less than \$5 million.

All transactions in the financial statements are reported using the accrual basis of accounting.

The financial statements are prepared on the assumption that the Trust will continue to operate in the foreseeable future.

The financial statements are presented in NZ dollars, and all values are rounded to the nearest thousand dollars, unless stated otherwise.

#### Goods and Services Tax

The Trust is registered for GST. All amounts in the financial statements are recorded exclusive of GST, except for debtors and creditors, which are stated inclusive of GST.

### **SIGNIFICANT ACCOUNTING POLICIES**

#### **Revenue**

##### *Grants*

Council, government, and non-government grants are recognised as revenue when the funding is received unless there is an obligation to return the funds if conditions of the grant are not met (“use or return condition”). If there is such an obligation, the grant is initially recorded as a liability and recognised as revenue when conditions of the grant are satisfied.

##### *Sale of goods*

Revenue from the sale of goods is recognised when the goods are sold to the customer.

##### *Commission on Sales*

Commission on exhibition sales and Percy Place sales is retained by the Trust, with the remaining proceeds passed on to the seller of the artworks. Revenue includes only amounts received and receivable by the Trust on its own account, not the amounts collected for the principal. Revenue is recognised when receivable.

##### *Sale of services*

Revenue from the sale of services is recognised by reference to the stage of completion of the services delivered at balance date as a percentage of the total services to be provided.

##### *Interest revenue*

Interest revenue is recorded as it is earned during the year.

### *Employee related costs*

Wages, salaries, and annual leave are recorded as an expense as staff provide services and become entitled to wages, salaries, and leave entitlements.

Performance payments are recorded when the employee is notified that the payment has been granted.

Superannuation contributions are recorded as an expense as staff provide services.

### *Advertising, marketing, administration, and other costs*

These are expensed when the related service has been received.

### *Bank accounts and cash*

Bank accounts and cash comprise a cheque account and deposits held at call with banks.

### *Debtors*

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recognised and the loss is recorded as a bad debt expense.

### *Investments*

Investments are comprised of term deposits with banks, listed bonds, listed shares, short term promissory notes issued by companies and Local Authorities, real estate, and professionally managed portfolios of investments.

Deposits with banks are initially recorded at the amount paid. If it appears that the carrying amount of the investment will not be recovered, it is written down to the expected recoverable amount.

Listed bonds and shares are initially recorded at the amount paid. If the market price of the investment falls below cost, the carrying value of the investment is reduced to the current market price. If the market price of the investment subsequently increases, the carrying amount of the investment is increased but limited to the original cost of the investment.

### *Property, plant, and equipment*

Property, plant, and equipment is initially recorded at cost or valuation, less accumulated depreciation and impairment losses. The fair value of the freehold land was determined based on the market comparable approach that reflects recent transaction prices for similar properties. The fair value of the buildings was determined from market based evidence using the cost approach, reflecting the cost to construct assets of comparable utility and age, adjusted for obsolescence.

Donated assets are recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the current value of the asset is readily obtainable and significant. Significant donated assets for which current values are not readily obtainable are not recognised.

For an asset to be sold, the asset is impaired if the market price for an equivalent asset falls below its carrying amount.

For an asset to be used by the Trust, the asset is impaired if the value to the Trust in using the asset falls below the carrying amount of the asset.

Depreciation is provided on a straight-line basis at rates that will write off the cost of the assets over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Furniture and fittings	10 to 20 years (5% to 10%)
Office Equipment	4 to 10 years (10% to 25%)
Buildings	10 to 80 years (1.25% to 10%).



### *Revaluation*

The Trust has adopted tier 2 standards regarding the revaluation of its land and buildings in accordance with PBE IPSAS 17.

Unless stated, valuations are carried out or reviewed by independent qualified valuers and are carried out at least on three yearly cycles. Valuations will be undertaken more regularly if necessary to ensure no individual item of property, land or equipment within a class has a carrying value that is materially different from its fair value.

Land and buildings were valued as at 30 June 2023 by Telfer Young (Taranaki) Ltd, independent valuers at fair value as determined from the market-based evidence. Buildings have been valued using the depreciated replacement cost which is based on the modal rate. The modal rate was the rate derived from the construction cost movement from 2020 (which was the date the last valuation was performed) to 2023. Land has been valued on the basis of the open market value of that land.

Revaluation increases and decreases will be transferred to equity.

### *Creditors and accrued expenses*

Creditors and accrued expenses are measured at the amount owed.

### *Employee costs payable*

A liability for employee costs payable is recognised when an employee has earned the entitlement.

These include salaries and wages accrued up to balance date and annual leave earned but not yet taken at balance date.

### *Income tax*

Tax expense is calculated using the taxes payable method. As a result, no allowance is made for deferred tax.

Tax expense includes the current tax liability and adjustments to prior year tax liabilities.

### *Budget figures*

The budget figures are derived from the statement of intent as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with tier 3 standards, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

### *Tier 2 PBE Accounting Standards applied*

The Trust has applied tier 2 accounting standards for asset revaluations only, in preparing its financial statements. This was to bring consistency in property revaluations between the Trust and its parent, the Stratford District Council.

## **CHANGES IN ACCOUNTING POLICIES**

There have been no changes to the accounting policies during the year.

# PERCY THOMSON TRUST – NOTES TO THE PERFORMANCE REPORT

## 1. Analysis of Revenue

For the year ended 30 June 2024

### Funding from central or local government

- Stratford District Council

### Donations, fundraising and other similar revenue

Grant - Taranaki Electricity Trust

Grant - Taranaki Foundation

Other grants

Wages subsidy

### Total donations, fundraising and other similar revenue

There are no unfulfilled conditions and other contingencies attached to grants recognised.

### Other Revenue

- Commission Sales

- Insurance proceeds

### Total Other Revenue

	Actual 2023/24 \$000	Actual 2022/23 \$000
<b>Funding from central or local government</b>		
- Stratford District Council	50	50
<b>Donations, fundraising and other similar revenue</b>		
Grant - Taranaki Electricity Trust	-	30
Grant - Taranaki Foundation	-	10
Other grants	2	4
Wages subsidy	-	1
<b>Total donations, fundraising and other similar revenue</b>	<b>2</b>	<b>45</b>
<b>Other Revenue</b>		
- Commission Sales	18	19
- Insurance proceeds	-	10
<b>Total Other Revenue</b>	<b>18</b>	<b>29</b>

## 2. Analysis of Expenses

### Employee related costs

Salaries and Wages

Kiwisaver Contributions

Increase (Decrease) in Employee Entitlements

### Total employee related costs

### Costs related to providing goods or services

Property expenses

Art Gallery expenses

Other operating expenses

### Total costs related to providing goods or services

### Other expenses

Audit Fees for Financial Statement Audit

Loss on disposal of assets

Depreciation

### Total other expenses

	Actual 2023/24 \$000	Actual 2022/23 \$000
<b>Employee related costs</b>		
Salaries and Wages	129	116
Kiwisaver Contributions	3	3
Increase (Decrease) in Employee Entitlements	3	2
<b>Total employee related costs</b>	<b>135</b>	<b>121</b>
<b>Costs related to providing goods or services</b>		
Property expenses	44	29
Art Gallery expenses	60	52
Other operating expenses	23	23
<b>Total costs related to providing goods or services</b>	<b>127</b>	<b>104</b>
<b>Other expenses</b>		
Audit Fees for Financial Statement Audit	26	25
Loss on disposal of assets	-	3
Depreciation	100	81
<b>Total other expenses</b>	<b>126</b>	<b>109</b>

# PERCY THOMSON TRUST – NOTES TO THE PERFORMANCE REPORT

## 3. Analysis of Assets and Liabilities

AS AT 30 JUNE 2024

### Current Assets

#### Bank Accounts and Cash

Cheque Account - TSB

**Total Bank accounts and cash**

#### Debtors and Prepayments

GST Refundable

Sundry Debtors

**Total Debtors and Prepayments**

#### Investments

##### Bonds

Meridian Energy Ltd - 4.88% - matures 20/03/2024

##### Other Investments

Term Deposit TSB Bank - 5.30% - mature 4/12/2023

Term Deposit TSB Bank - 4.35% - mature 20/09/2023

Term Deposit TSB Bank - 5.65% - mature 20/12/2023

**Total Investments**

#### Non-current Investments

##### Other Investments

Proportionate Ownership - Albany, Auckland

Proportionate Ownership - Manukau, Auckland

Proportionate Ownership - Porirua, Wellington

Proportionate Ownership - Albany, Auckland

Proportionate Ownership - Tauranga

Proportionate Ownership - Henderson, Auckland

**Total Non Current Investments**

#### Creditors and Accrued Expenses

Creditors

Income received in advance

Accrued Expenses

**Total Creditors and Accrued Expenses**

#### Employee Costs Payable

Annual Leave

Payroll Accrual

**Total Employee Costs Payable**

	Actual 2023/24 \$000	Actual 2022/23 \$000
<b>Bank Accounts and Cash</b>		
Cheque Account - TSB	92	77
<b>Total Bank accounts and cash</b>	<b>92</b>	<b>77</b>
<b>Debtors and Prepayments</b>		
GST Refundable	2	8
Sundry Debtors	5	14
<b>Total Debtors and Prepayments</b>	<b>7</b>	<b>22</b>
<b>Investments</b>		
<u>Bonds</u>		
Meridian Energy Ltd - 4.88% - matures 20/03/2024	-	30
<u>Other Investments</u>		
Term Deposit TSB Bank - 5.30% - mature 4/12/2023	250	250
Term Deposit TSB Bank - 4.35% - mature 20/09/2023	-	50
Term Deposit TSB Bank - 5.65% - mature 20/12/2023	-	50
<b>Total Investments</b>	<b>250</b>	<b>380</b>
<b>Non-current Investments</b>		
<u>Other Investments</u>		
Proportionate Ownership - Albany, Auckland	50	50
Proportionate Ownership - Manukau, Auckland	48	50
Proportionate Ownership - Porirua, Wellington	72	72
Proportionate Ownership - Albany, Auckland	75	75
Proportionate Ownership - Tauranga	38	50
Proportionate Ownership - Henderson, Auckland	100	100
<b>Total Non Current Investments</b>	<b>383</b>	<b>397</b>
<b>Creditors and Accrued Expenses</b>		
Creditors	10	2
Income received in advance	1	2
Accrued Expenses	24	23
<b>Total Creditors and Accrued Expenses</b>	<b>35</b>	<b>27</b>
<b>Employee Costs Payable</b>		
Annual Leave	11	8
Payroll Accrual	3	0
<b>Total Employee Costs Payable</b>	<b>14</b>	<b>8</b>

# PERCY THOMSON TRUST – NOTES TO THE PERFORMANCE REPORT

## 4. Property, Plant and Equipment

AS AT 30 JUNE 2024

Cost or Valuation	Buildings at	Land at	Plant and	Total
	revalued amount	revalued amount	Equipment at Cost	
	\$000	\$000	\$000	\$000
<b>As at 1 July 2023</b>	2,072	385	143	2,600
Additions	12	-	-	12
Disposals	-	-	-	-
Revaluation increase	-	-	-	-
<b>As at 30 June 2024</b>	<b>2,084</b>	<b>385</b>	<b>143</b>	<b>2,612</b>

Accumulated Depreciation	Buildings at	Land at	Plant and	Total
	revalued amount	revalued amount	Equipment at Cost	
	\$000	\$000	\$000	\$000
<b>Balance at 1 July 2023</b>	-	-	61	61
Eliminated on disposals of assets	-	-	-	-
Depreciation expense	92	-	8	100
Depreciation reversed on revaluation	-	-	-	-
<b>Balance at 30 June 2024</b>	<b>92</b>	<b>-</b>	<b>69</b>	<b>161</b>

<b>Balance as at 30 June 2024</b>	<b>1,992</b>	<b>385</b>	<b>74</b>	<b>2,452</b>
<b>Balance as at 30 June 2023</b>	<b>2,072</b>	<b>385</b>	<b>82</b>	<b>2,539</b>

## 5. Accumulated Funds

	Actual 2023/24 \$000	Actual 2022/23 \$000
<b>Opening Equity</b>		
Revaluation Reserve	1,909	1,207
Accumulated Surpluses	1,471	1,591
<b>Total Opening Balance</b>	<b>3,380</b>	<b>2,798</b>
<b>Movements during the year</b>		
Surplus (Deficit)	(231)	(120)
Fair value movement of listed bonds	(14)	-
Revaluation during the year	-	702
<b>Total</b>	<b>(245)</b>	<b>582</b>
<b>Closing Equity</b>		
Revaluation Reserve	1,909	1,909
Accumulated Surpluses	1,226	1,471
<b>Total Closing Equity</b>	<b>3,135</b>	<b>3,380</b>

# PERCY THOMSON TRUST – NOTES TO THE PERFORMANCE REPORT

## 6. Commitments and Contingencies

AS AT 30 JUNE 2024

	Actual 2023/24 \$000	Actual 2022/23 \$000
<b>Financial Commitments</b>		
* Percy Thomson Trust will provide building space in the Complex for Sgt Peppers to operate, for the period to 1 September 2024, with two further rights of renewal of two years each.	3	-
* Percy Thomson Trust will provide building space in the Complex for Juffermans Surveyors Ltd to operate, for the period to 12 April 2026, with two further rights of renewal of three years each.	32	50
* Percy Thomson Trust will provide land outside the Complex for NZ Post to use as a box lobby, for the period to 31 May 2026, with two further rights of renewal of two years each.	2	1
<b>Total</b>	<b>37</b>	<b>51</b>
<b>Operating Leases as a Lessor</b>		
Not later than one year	23	19
Later than one year and not later than five years	14	32
Later than five years	-	-
<b>Total operating leases as a lessor</b>	<b>37</b>	<b>51</b>

### Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at balance date (last year – nil).

## 7. Related Party Transactions

The Trust is a subsidiary of Stratford District Council and receives an operating grant from the Council to deliver its objectives as specified in the Trust Deed. The Stratford District Council is the ultimate controlling party.

Trustees that have a relationship with Stratford District Council:

- Ellen Hall, Trustee, is a Councillor
- Christine Craig, Trustee, is an employee of Stratford District Council – resigned May 2024

The following transactions were carried out with related parties at normal commercial terms:

	Actual 2023/24 \$000	Actual 2022/23 \$000
<b>Stratford District Council</b>		
Grant received from the Council	50	50
Fees paid to Council for administration services	21	21

## 8. Events After the Balance Sheet Date

There were no significant events after balance date.

## 9. Explanations of major variances against budget

Explanations for major variances from the Trust's budgeted figures in the 30 June 2024 Statement of Intent are as follows:

### Statement of Financial Performance

- Revenue from grants was considerably less than budget due to the current market situation, however the Trust are continually seeking alternative sources of grant funding.
- Employee related costs were higher than budget, and costs related to providing the goods and services were over budget, primarily due to the repairs required on the building.
- Audit fees are considerably higher than budget, as the Statement of Intent was adopted prior to agreement of the new fee, which includes a full cost recovery.

### Statement of Financial Position

- The cash balance was less than budget as funds were required to cover increases in expenditure, and the reduction in revenue.

## 10. Rounding Errors

Some rounding errors may occur in the financial statements due to stating dollar amounts to the nearest \$000.

# PERCY THOMSON TRUST – AUDIT REPORT



## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF PERCY THOMSON TRUST'S FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2024

The Auditor-General is the auditor of Percy Thompson Trust (the 'Trust'). The Auditor-General has appointed me, Pam Thompson using the staff and resources of Deloitte Limited, to carry out the audit of the financial statements and performance information of the Trust on his behalf.

#### Opinion on the audited information

We have audited:

- the financial statements of the Trust on pages 12 to 22, that comprise the statement of financial position as at 30 June 2024, the statement of financial performance, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the Trust on pages 8 to 9.

In our opinion:

- the financial statements on pages 12 to 22:
  - present fairly, in all material respects:
    - the Trust's financial position as at 30 June 2024;
    - the results of its operations and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand in accordance with *Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) Standard*; and
- the performance information of the Trust on pages 8 to 9 presents fairly, in all material respects, the Trust's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Trust's objectives for the year ended 30 June 2024.

Our audit was completed on 10 December 2024. This is the date at which our opinion is expressed. The basis for our opinion is explained below. In addition, we outline the responsibilities of the Trust Board and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence

#### Basis for our opinion on the audited information

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "*Responsibilities of the auditor for the audited information*" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

### **Responsibilities of the Trust Board for the audited information**

The Trust Board is responsible on behalf of the Trust for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Trust Board is also responsible for preparing the performance information for the Trust.

The Trust Board is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Trust Board is responsible on behalf of the Trust for assessing its ability to continue as a going concern. The Trust Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the Trust Board or there is no realistic alternative but to do so.

The Trust Board's responsibilities arise from the Local Government Act 2002.

### **Responsibilities of the auditor for the audited information**

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the Trust's Statement of Intent.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trust Board



- We conclude on the appropriateness of the use of the going concern basis of accounting by the Trust and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trust Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

## Other Information

The Trust Board is responsible for the other information. The other information comprises the information included on pages 3 to 7 and 10 to 11, but does not include the audited information, and our auditor's report thereon.


Our opinion on the audited information and our report on the disclosure requirements do not cover the other information, and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Independence

We are independent of the Trust in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1)* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit and our report on the disclosure requirements, we have no relationship with, or interests in, the Trust.



**Pam Thompson**  
Deloitte Limited  
On behalf of the Auditor-General  
Wellington, New Zealand